



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, with revision, the Reporting and Disclosure Requirements Related to Securities of State Member Banks as Required by Regulation H (FR H-1; OMB No. 7100-0091)

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: You may submit comments, identified by *FR H-1*, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available on the Board's website at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in

Room 146, 1709 New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments. You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the Paperwork Reduction Act (PRA) OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files, if approved. These documents will also be made available on the Board’s public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

Request for Comment on Information Collection Proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

Proposal under OMB delegated authority to extend for three years, with revision, the following information collection:

Report title: Reporting and Disclosure Requirements Related to Securities of State Member Banks as Required by Regulation H.

Agency form number: FR H-1.

OMB control number: 7100-0091.

Frequency: Annually, Quarterly, and on occasion.

Respondents: State member banks (SMBs).

Estimated number of respondents: 2.

Estimated average hours per response: Reporting requirements: Form 8-A, 3.0 hours; Form 10, 218 hours; Regulation 12B, 1 hour; Rule 13e-1, 13.0 hours; Regulation 14C and Schedule 14C, 98.2 hours; Regulation 14D and Schedule 14D, 65.14 hours; Rule 14f-1, 2.0 hours; Form 10-K, 2395.73 hours; Form 10-Q, 190.42 hours; and Form 8-K, 7.71 hours; Disclosure requirements: Form 3, 0.16 hours; Form 4, 0.16 hours; and Form 5, 0.16 hours; Reporting and Disclosure requirements: Regulation 14A and Schedule 14A, 12.75 hours; Rule 12b-25 and Form 12b-25, 2.50 hours; Rule 13e-3 and Schedule 13E-3, 34.36 hours; and Form 15, 1.50 hours.

Estimated annual burden hours: Reporting requirements: Form 8-A, 6 hours; Form 10, 436 hours; Regulation 12B, 2 hours; Rule 13e-1, 26 hours; Regulation 14C and Schedule 14C, 196 hours; Regulation 14D and Schedule 14D, 130 hours; Rule 14f-1, 4 hours; Form 10-K, 4,791 hours; Form 10-Q, 1,143 hours; and Form 8-K, 15 hours; Disclosure requirements: Form 3, 0.32 hours; Form 4, 11 hours; and Form 5, 3 hours; Reporting and Disclosure requirements: Regulation 14A and Schedule 14A, 26 hours; Rule 12b-25 and Form 12b-25, 5 hours; Rule 13e-3 and Schedule 13E-3, 69 hours; and Form 15, 3 hours.

General description of report: The Board's Regulation H requires SMBs whose securities are subject to registration pursuant to the Securities Exchange Act of 1934 (Exchange Act)¹ to disclose certain information to shareholders and securities exchanges and to report information relating to their securities to the Board using forms adopted by the Securities and Exchange Commission (SEC) and in compliance with certain rules and regulations adopted by the SEC.

Proposed revisions: The Board proposes to revise the FR H-1 to account for certain collections of information in SEC regulations that apply to SMBs with registered securities (that have not

¹ 15 U.S.C. 78a *et seq.*

previously been accounted for) and the following relevant revisions to disclosure and reporting requirements associated with the FR H-1:

- In August 2015, the SEC adopted amendments to Item 402 of Regulation S-K and Form 8-K under the Exchange Act to implement Section 953(b) of the Dodd-Frank Act by requiring disclosure of the median of the annual total compensation of all employees of a registrant (excluding the chief executive officer), the annual total compensation of that registrant's chief executive officer, and the ratio of the median of the annual total compensation of all employees to the annual total compensation of the chief executive officer.² These revisions affect the collections associated with Regulation S-K, Regulation 14A and Schedule 14A, Regulation 14C and Schedule 14C, Form 8-K, and Form 10-K.
- In March 2017, the SEC adopted rule and form amendments that require registrants to include a hyperlink to the exhibits in their filings.³ These revisions affect the collections associated with Regulation S-K, Regulation S-T, Form 10, Form 8-K, Form 10-Q, and Form 10-K.
- In June 2018, the SEC adopted amendments to the definition of "smaller reporting company" to expand the number of registrants that qualify as smaller reporting companies and thereby are eligible to rely on the scaled disclosure requirements.⁴ These revisions affect the collections associated with Regulation S-K, Regulation 12B, Regulation 14A and Schedule 14A, Regulation 14C and Schedule 14C, Form 10, Form 10-Q, and Form 10-K.

² See 80 FR 50103 (August 8, 2015).

³ See 82 FR 14130 (March 3, 2017).

⁴ See 83 FR 31992 (July 10, 2018).

- In October 2018, the SEC adopted rule and form amendments to address disclosure requirements that have become redundant, duplicative, overlapping, outdated, or superseded as a result of other SEC disclosure requirements, U.S. Generally Accepted Accounting Principles, International Financial Reporting Standards, or changes in the information environment.⁵ These revisions affect the collections associated with Regulation S-X, Form 10-Q, Form 10-K, and Form 10.
- In December 2018, the SEC adopted amendments to implement Section 955 of the Dodd-Frank Act, which require a company to describe any practices or policies it has adopted regarding the ability of its employees (including officers) or directors to purchase financial instruments, or otherwise engage in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of equity securities granted as compensation, or held directly or indirectly by the employee or director.⁶ These revisions affect the collections associated with Regulation S-K, Regulation 14A and Schedule 14A, and Regulation 14C and Schedule 14C.
- In December 2018, the SEC adopted rule and form revisions that would modernize the property disclosure requirements for mining registrants.⁷ These revisions affect the collections associated with Regulation S-K, Form 10, and Form 10-K.
- In March 2019, the SEC adopted rule amendments based on the recommendations made in the staff's Report on Modernization and Simplification of Regulation S-K, as required by Section 72003 of the Fixing America's Surface Transportation Act.⁸ These amendments were designed to modernize and simplify disclosure requirements for public

⁵ See 83 FR 50148 (October 4, 2018).

⁶ See 84 FR 2402 (February 6, 2019).

⁷ See 83 FR 66344 (December 26, 2018).

⁸ See 84 FR 12674 (April 2, 2019).

companies, investment advisers, and investment companies. These revisions affect the collections associated with Regulation S-K, Regulation S-T, Regulation 12B, Form 10, Form 8-K, Form 10-Q, and Form 10-K.

Legal authorization and confidentiality: Various provisions of the Exchange Act require issuers to file reports with the SEC and make certain disclosures, and sections 12(i) and 23(a)(1) of the Exchange Act authorize the Board to adopt rules and regulations requiring qualifying SMBs to file those reports with the Board (15 U.S.C. 78l(i) and 78w(a)(1)). The FR H-1 is mandatory. Reports filed with the Board pursuant to this collection are not considered confidential and must be disclosed publically under Regulation H (12 CFR 208.36(c)(3)). However, a SMB may request that a report or document not be disclosed to the public (12 CFR 208.36(d)). Should a SMB request confidential treatment of such information, the question of whether the information is entitled to confidential treatment would be determined on a case-by-case basis. Information may be kept confidential under exemption 4 of the Freedom of Information Act, which protects privileged or confidential commercial or financial information (5 U.S.C. 552(b)(4)).

Consultation outside the agency: The reporting and disclosure requirements discussed in this supporting statement were promulgated by the SEC. The Board has not consulted with the SEC or any other parties with regard to the proposed extension for three years, with revision, of the FR H-1.

Board of Governors of the Federal Reserve System, August 7, 2019

Michele Taylor Fennell,

Assistant Secretary of the Board.

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